(d) by when action will be taken on them?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) to (d) Reserve Bank of India (RBI) have reported that they had appointed Shri G.R. Bedge, IAS (Retd) in June, 1994 for looking into accountability of the top management for the irregularities in securities transactions in Bank of India Finance Ltd. the Special officer had identified the following officials in connection with the various irregularities;

(i) Shri R. Srinivasan, former CMD, Bank of India;

(ii) Shri A.T. Pannir Selvam, former Chairman, BOIFIN & presently CMD. Union Bank of India;

(iii) Shri D.D. Avari, former overseeing Director, BOIFIN;

(iv) Shri V.D. Saptharshi, the then Chief Executive BOIFIN;

(v) Shri A.V. Jog, the then, Chief Executive, BOIFIN

(vi) Shri S.P. Wagh, the then, Director, BOIFIN

(vii) Shri B.A. Vyas, Senior Executive, BOIFIN

(viii) Shri A.V. Meenakshi Sundaram, Senior Project manager BOIFIN

(ix) Shri C.M. Vaidya, Chief Manager, BOIFIN;

(x) Shri V.H. Ramakrishnan, the then Chief Executive of BOIFIN.

Action has been taken according to the circumstances of each case and the degree of responsibility established after considering the report of the Special Officer. Shri Saptharshi and Shri Jog have been dismissed from the service. Major Penalty proceedings have been initiated against Shri Vyas and Shri Meenakshi Sundaram. Letter of displeasure was communicated to Shri A.T. Pannir Selvam. Shri Vaidya was reprimanded. The bank is in correspondence with Central Vigilance Commission regarding Shri Ramakrishnan. No departmental action was possible against Shri Srinivasan, Shri Avari and Shri Wagh, who have retired from the service. A copy of the report of the Special Officer has also been sent to the CBI for their examination.

Permission to MNCs

969. SHRI N. GIRI PRASAD:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the multinationals are allowed to do their business in the country throught the new 100 percent subsidiary route instead of their established and listed subsidiaries;

(b) if so, what are the special features of this wholly owned subsidiaries;

(c) whether it is a fact that most of the projects undertaken by such subsidiaries are not capital intensive and related to marketing their products; and

(d) if so, the details and Government's reaction theret ?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) to (d) An automatic approval mechanism for foreign investment upto 51% foreign equity in priority sectors has been installed. All other proposals including proposals for foreign equity investment upto 100% are considered and approved by Govt. The New Industrial Policy does not lay down any restrictions in terms of percentage of foreign equity holdings or sectors where 100% foreign investment are not to be permitted.

In the case of 100% owned foreign companies, approvals have fairly covered various sectors and maximum number are in services and electronics sectors including computer software etc.

Panel Constituted to Expedite Decision on Projects

970. SHRI SANATAN BISI: Will the Minister of FINANCE be pleased to state:

(a) whether any panel has been constituted to expedite decision on projects in the infrastructure sector; and

(b) what are the projects pending, State-wise if any, and the details thereof;

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH) (a) and (b) : The Govt. of India have not constituted any panel at the apex level to expedite decisions on the infrastructure projects in the Central Sector. Several institutional arrangements to take expeditious decisions on Central Sector Projects have been provided for by the Govt. of India. These are:—

(i) New projects and revised cost estimates of on-going projects costing Rs. 50 crores and above is approved by the Public Investment Board (PIB) and smaller projects between Rs. 20 and Rs. 50 crores are approved by the Expenditure Finance Committee (EFC).

(ii) Approval of railway projects costing Rs. 50 crores and above are done by the Expanded Board chaired by the Chairman, Railway Board with Secretaries of the Planning Commission, Dept. of Expenditure and Dept. of Programme Implementation as Members.

(iii) The Cabinet Committee on Infrastructure (CCI) specially looks into the issues and problems of non-performance of on-going projects in the infrastructure.

Investment decisions are not taken at the Government of India level on projects from the various States/Union Territories and hence no pending list of projects State-wise is available. Collection and compilation of information from all States will take very long time and may not be commensurate with the results achieved.

Evasion of Tax Under VABAL Scheme

971. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the income tax department had been investigating the evasion of the tax by selling duty free imported raw materials obtained under the value-based advanced licensing (VABAL) scheme amounting to crores of rupees by some of the firms/parties as has been brought out in the India Today magazine dated 1—15 April, 1995;

(b) if so, the facts thereof and the action taken by the Government thereon; and

(c) the names of the firms/parties including the amount of tax evaded that sold the imported duty-free raw materials?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) to (c) It is presumed that the Hon'ble Member is referring to page 54 of the April 1—15, 1995 issue of India Today. It is true that the Income-tax Department is investigating evasion of tax in the case of M/s. M.S. Shoes East Limited and other concerns of this Group. This Group was searched in June, 1994 on allegations of misuse of VABAL amongst other allegations. Cases have been centralised in the Central Circle, Delhi for Coordinated investigation. The assessment proceedings have not yet been completed.

Sick Units

972. SHRI S. AUSTIN: Will the Minister of TEXTILES be pleased to state:

(a) the number of sick units under his Ministry;

(b) the total number of units on the verge of closure;

(c) whether BIFR has taken any final decision regarding these units;

(d) if so, the details thereof; and

(e) if not, by when a final decision is likely to be taken in the matter?

THE MINISTER OF TEXTILES (SHRI G. VENKAT SWAMY): (a) and (b) There are 12 Public Sector Undertakings under the Ministry of Textiles which have been declared as sick. The number of units involved are 116. None of the units has so far been closed under the I.D. Act.

(c) to (e) Of the twelve Public Sector Undertakings which have been referred to BIFR, three Public Sector Undertakings namely BIC, Elgin Mills Company Ltd., and Cawnpore Textiles